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## **GRT** EMPLOYEE'S PERCEPTION REGARDING E-CHANNELS IN COMMERCIAL BANKS IN INDIA

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**Abstract:**-Human resources management is a key factor for the success of e-banking. Employees those who were working in the public and private sector were not having adequate knowledge to work with e-banking platforms. e- Banking HR requires special skills because HR functions such as (HR) planning, job analysis and job design, recruitment and selection, job progression, appraisal process, training and compensation would be different than for other traditional banking areas. E-banking is the outcome of technological innovations and competition. In fact, banks have been using electronic and telecommunication networks for delivering a wide range of value added products and services. The devices include telephone, personal computers including Automated Teller Machines (ATM). The delivery channels have been direct dial up connections, private and public networks. To this newer edition of e-banking are being added e.g. Internet banking and mobile banking. The use of ATM's lead to the concept of 'anywhere' and 'anytime' banking. The growing popularity of personal computers, easy access to internet and World Wide Web (WWW), has increased the use of internet by banks as a channel for receiving instructions and also delivering their products and services to the customers, This is generally referred to as 'Internet banking' or I-banking or Net Banking. The present study has made a comprehensive research employee's perception regarding e-channels in commercial banks in India. A sample of 43 banks from various groups has been selected. The employee's perceptions regarding e-channels were applied and result was analyzed.

**Keywords:**e-banking, HR planning, Automatic Teller Machine, mobile banking, e-channels, commercial banks.

### INTRODUCTION

The rapid advancement in electronic distribution channels has produced tremendous changes in the financial industry in recent years, with an increasing rate of change in technology, competition among players and consumer needs. IT-based distribution channels reduce personal contact between the service providers and the customers, which inevitably leads to a complete transformation of traditional banker-customers relationships.

Financial institutions especially the banking sector is currently in a transition phase. The banks have put themselves in the World Wide Web to take advantage of the internet's power and reach, to cope with the accelerating pace of change of business environment. The famous quote by Bill Gates, banking is vital to a healthy economy, but banks themselves are not, highlights the crucial nature of the electronic forces that are affecting banks more than any other financial service provider group. In India also things are changing fast. India is on the threshold of a major banking revolution with the introduction of 'Net-banking'.

### STATEMENT OF THE PROBLEM

The most significant characteristics of the third Millennium can be pointed out as hastening advances on Information and Communication Technology (ICT). This has created almost a silent revolution on all aspects of human life. So it is predictable that the next generations will witness a further boost in high tech and knowledge – oriented endeavors. Customers are now able to do their banking 24 hours a day, seven days a week using ATMs, the

phone, and the Internet. The present study has made a comprehensive research regarding the Employee's Perception Regarding E-Channels in Commercial Banks in India.

#### **OBJECTIVES OF THE STUDY**

To analyze the employee's perception regarding e- delivery channels in selected commercial banks.

#### **RESEARCH METHODOLOGY**

The validity of any research depends on the systematic method of collecting the data and analyzing the same in a sequential order. Methodology presents the Sampling design, Data sources, Tools for data collection, Construction of questionnaire, Pilot study and the Framework of analysis.

##### **a) Sampling design**

The primary data was collected through field survey in the study area. First hand information were collected from 1100 bank employees pertaining to their perception towards the application of e-channels in commercial banks. For the purpose of the present study convenient Sampling technique was adopted.

#### **PUBLIC SECTOR BANKS**

- 1 State Bank of India
- 2 State Bank of Hyderabad
- 3 State Bank of Mysore
- 4 State Bank of Travancore
- 5 Andhra Bank
- 6 Allahabad Bank
- 7 Bank of Baroda
- 8 Bank of India
- 9 Bank of Maharashtra
- 10 Canara Bank
- 11 Central Bank of India
- 12 Corporation Bank
- 13 Dena Bank
- 14 Indian Overseas Bank
- 15 Indian Bank
- 16 Oriental Bank of Commerce
- 17 Punjab National Bank
- 18 Punjab and Sind Bank
- 19 Syndicate Bank
- 20 Union Bank of India
- 21 United Bank of India
- 22 UCO Bank
- 23 Vijaya Bank

#### **PRIVATE SECTOR BANKS**

- 1 Axis Bank
- 2 Catholic Syrian Bank
- 3 Centurion Bank
- 4 City Bank
- 5 City Union Bank
- 6 Dhanalakshmi Bank
- 7 Federal Bank
- 8 HDFC Bank
- 9 HSBC Bank
- 10 ICICI Bank
- 11 IDBI Bank
- 12 IndusInd Bank
- 13 ING Vysya Bank

14 Karur Vysya Bank  
15 Kotak Mahindra Bank  
16 Lakshmi Vilas Bank  
17 South Indian Bank  
18 Standard chartered Bank  
19 Tamilnadu Mercantile Bank  
20 Yes Bank

#### Construction of Questionnaire

Questionnaire was a main tool used to collect the pertinent data from the selected 1100 respondents. The questionnaire include the information regarding the demographic profile of the respondents, respondents opinion on the perception regarding e-delivery channels, training underwent, preference of the employees regarding the usage of e-channel, problem faced by the employees on implementation of e-channel.

#### PERIOD OF THE STUDY

The study was confined to a period of three years (2010-2013). Reviewing the relevant literature and the conceptual frame work took six months. Preparation of the questionnaire and conducting the pilot study was done in six months. The data collection from the primary sources took a period of eight months. Preparing the master table and data analysis took another six months period. The interpretation and the presentation of the data in the form of the report covered a period of five months. The last five months were used for rough drafting and in making out the final form of the thesis.

#### FINDINGS

This chapter summarizes the findings and conclusion. On further attempt, the researcher tries to conclude some business and managerial conclusion considering the general environment dominant in Indian workforce and especially in Coimbatore banks. Self efficacy perceived by the employees shows significant effect on formation of intention to accept new technology among bank employees. Relative advantage is another important construct. These findings are the basis for managerial contribution. Limitations of this research are mentioned briefly and some issues for further studies in this regard are proposed.

1. The Gender classification has revealed that 56 percent of the employees were male and the remaining 44 percent of the employees were female.
2. When considering the Type of bank in which the employees employed, 54.7 percent of the employees were employed in Public sector bank and a remaining 45.3 percent of the employees were employed in Private sector bank.
3. The age wise classification of employees has made a clear fact that 35.3 percent of the employee were in the age group of 31-40 years, 24 percent of the employees were in the age group of 51 and above years, 21 percent of the employees were in the age group of 41-50 years, and a remaining 19.7 percent of the employees were in the age group of 20-30 years.
4. A majority of 55.8 percent of the employees were married and remaining 44.2 percent of the employee was unmarried.
5. When focusing the type of family the analysis revealed that 55.5 percent of the employees were in Joint family and a remaining 44.5 percent of the employees were in Nuclear family.
6. The monthly income classification has proven that 36.3 percent of the employees monthly income ranges between Rs.10001-20,000, 22.5 percent of the employees monthly income was above Rs.30,000, 21.6 percent of the employees income was between Rs.20001-30,000, and a remaining 19.6 percent of the employees monthly income was up to Rs. 10,000.
7. When considering educational background of employees it was understood that 35.5 percent of the employees have completed Bachelor's degree, 23.3 percent of the employees have completed Doctorate degree, 20.6 percent of the employees have completed high school level education, and 20.5 percent of them have completed Master's degree.
8. When taken into consideration the bank location, where in it is quite appealing that 50.9 percent of the employees were working in the bank which was located in the Semi-urban area, 30.5 percent of the employees were working in the bank which was located in the urban area and a remaining 18.5 percent of the employees were working in the bank which was located in the rural area.
9. As the experience of the employees enforces greater significance for employees to prove their efficiency in e-banking 34.9 percent of the employees were having an experience of 3 to 5 years, 23 percent of the employees were having an experience of 6 and above years. 22.3 percent of the employees were having less than 3 years of experience

and a remaining 19.8 percent of the employees were having 5 to 6 years of experience.

10. The position held by the employees place a significant role in the performance of e-banking, the analysis revealed that 50.9 percent of the employees were in the executive cadre, 30.5 percent of the employees were in the manager grade, and a least of 18.5 percent of the employees were in the clerical cadre. E-banking can improve a bank's efficiency and competitiveness, so that existing and potential customers can benefit from a greater degree of convenience in transactions. This increased level of convenience offered by the bank, when combined with new services, can expand the bank's target customers beyond those in traditional markets. Consequently, financial institutions are therefore becoming more aggressive in adopting electronic banking capabilities that include sophisticated marketing systems, remote-banking capabilities, and stored value programs. Internationally, familiar examples include telephone banking, automated teller networks, and automated clearinghouse systems. Such technological advances have brought greater sophistication to all users, commercial and "the man in the street".

The type of training which was provided and observed by the employees take a special attention for their better performance in there operational etiquette.

11. When analyzing the type of training underwent by the employees, it was understood that 23.5 percent of the employees have completed refresher training, 18.5 percent of the employees have undergone diversity training, 36.2 percent of the employees have undergone Cross functional training and team training, 13.6 percent of the employees have undergone creativity training and remaining 8.2 percent of the employees have completed skill based training.

12. The duration of training increases the intelligence and diligence of employees in provoking the efficiency. It was clear from the analysis that 32.2 percent of the employees have undergone training for 2 weeks to 3 weeks, 23.9 percent of the employees have undergone a training for 1 week to 2 weeks period, 22.6 percent of the employees have completed for a training period of 3 weeks to 4 weeks, 14.8 percent of the employees have completed training of 4 weeks and above and 6.5 percent of the employees have completed training for a week period.

13. The motivational factors of employees to venture into e-banking services was due to Cost reduction, Data base management improvement, Improvement of personal efficiency, Response to competitive pressures, Revenue management, Benefits of management by exception, Time and place utility, More quality services. Out of the various motivational factors considered for venturing into e-banking, the first rank was sourced by the factor Revenue management, and the least rank was observed by the factor of quality services.

14. Out of the various e-banking services viz., ATM's, M-Banking, I-Banking, Tele banking, Debit cards, Credit cards and Smart cards. The customer prefers ATM facility and Smart card services. The ATM facility was an important factor by the customer to prefer e-channels.

15. In recent days e-banking plays a vital role for the development of e-culture. Out of the various reasons to prefer e-channels the primary reason was cost effectiveness.

16. The employees expect install more number of ATM's at convenient locations and upgrade technologies to provide efficient services. Technology has now brought E-banking, which was gradually replacing the traditional branch banking. The customers are able to choose their banker from a number of banks offering wide range of services and delivering quality service. The commercial banks in India are now becoming more market oriented and customer friendly. Efforts are being taken to improve their competitiveness through enhanced service quality, which is vital for keeping their customers well contented and satisfied. Satisfied customers are central to optimal performance and financial returns. In many places in the world, business organizations have been elevating the role of the customer to that of a key stakeholder over the past twenty years. Customers are viewed as a group whose satisfaction with the enterprise must be incorporated in strategic planning efforts. Forward looking companies are finding value in directly measuring and tracking customer satisfaction (CS) as an important strategic success indicator. Evidence is mounting on placing a high priority on customer satisfaction which is critical to improved organizational performance in a global market scenario. With better understanding of customers' perception, companies can determine the actions required to meet their customers' needs. They can identify their own strengths and weaknesses, where they stand in comparison to their competitors and they can chart out path for future progress and improvement.

17. The collaborative factor has proved that the e-banking has improved group cohesiveness within employees which stresses more optimization of Quality.

18. The Efficiency factor stressed that the e-banking implementation has further improved the efficiency by reducing paper work and yield measures in reducing errors

19. The Training and Development factor has proved that the employees expect more number of organized training programmes to match the technical skills

20. The knowledge management factor has empowered the banking employees to make Quick decision making in the banking operations The main focus is done on internet banking as it is the delivery channel that seems to be fast growing after the ATM delivery channel. The study recommends the possible and practical additional measures the banks should take in order to achieve maximum customer satisfaction. Customers are not entirely satisfied with the quality of service provided by commercial banks in India. Queuing time is considered reasonable at ATMs but too long in banking halls. Part of the dissatisfaction of customers' stems from the fact that customers are not aware and



knowledgeable about the full range of e-banking services provided by banks. The decline in the quality of banking services may be attributed to the fact that there has been an increase in the volume of banking transactions. It is often reported that the grievance redressed machinery in the banks are not adequate enough to address the issues to full satisfaction of the customers. Therefore, this is a clear-cut indication that commercial banks have to put in more effort into e-banking services to improve the satisfaction of their customers. The problem presented is to identify where the delivery channels are lacking in providing satisfaction to customers and what can be done to resolve this problem. A research based on electronic banking was chosen because by general observation it was noted that many people are not very much aware of electronic banking and its services which should not be the case considering the usefulness and importance of e-banking in this date and time. Thus, in order to promote e-banking services by making customers more aware of them and determining and highlighting to banks their shortcomings or problem areas, this research was conducted.

1. When an attempt was made on the employees were in the idea that the e-banking will tremendously grow in the coming years and uphead the traditional banking with its sophisticated technologies and development.
2. The Gender wise usage has endorsed that the females were not utilizing the e-banking services as it is not feasible to them.
3. Further it was understood that in the coming years the e-banking operations will rule the entire business world.

21. Although, electronic banking provides many opportunities for the banks, it is also the case that the current banking services provided through Internet are limited due to security concerns, complexity and technological problems which were spelt by the term trust to describe a measure of risk.

22. Nature of complaints from e-banks customers are less as compared to traditional bank customers. Higher amount of minimum balance maintained in their accounts, Problems regarding use of ATMs were the common problems encountered.

23. The retail banking, are providing more emphasis towards labour intensive techniques. The e banks can provide De-mat services at free of cost, increasing working hours, rent free locker facility, recruiting young employees and by expanding branch network.

24. The e bank employees predicts that those customers who were in the age group of 26 to 35 years will prefer e-channel to the maximum extent.

25. In order to retain customers the banks can offer shares at lesser cost to old customers and distribute free gifts.

26. By developing the use of information technology globally new opportunities is extended towards developing country in a way to get more active participation on constructing lean societies. Developing countries based on their young generation and strong will to fill the gaps with the developed countries, have the opportunities to promote on the rating scale of the globe India as a developing country has the chance to move forward. In our country it has been repeatedly confessed by high authorities that neither shortage of material and natural resources nor lack of knowledge and talent can be referred as our main problem and obstacle for great leap, but also inappropriate management systems and low rate of productivity and efficiency among workforce can better interpret our existing problems.

27. Having a view to this fact, the research problem was investigated. Banking and financial activities as the back bone of any commercial activities need to be more efficient and can play an important role to provide required infrastructure for commercial growth.

28. E banking by providing new services and new channels and making ground for accumulation of required cash for basic investments can be considered both as an immense facilitator and also as an evolving factor to assure the expected growth.

29. On recent years many public and private banks emerged in financial market. Their rapid growth on different fields, especially on implementing e-banking, provided this assumption that ownership and organizational structure and privatization in banking industry have had a progressive impact on banks performance.

30. The model employed in this study to find the employees perception is based on decomposed theory of planned behavior with the intention to find different aspects of belief structure of the employees toward e-banking and recent implementation of it in their organisations. The findings of this research based on the survey done among employees of both private and commercial banks indicated that:

- a) Employees in general have positive perception about implementation of e-banking in their organisation.
- b) Employees have positive intention to participate in the process of implementation of e banking in their organisations.

31. Beliefs about relative advantages of implementing e banking and also employee's capabilities and powers to perform the behavior in their organisation are the focus of similarity among all employees despite ownership of their organisations.

32. Relative advantages have proved to be one of the main constructs which have predictive power of behavioural

intention in this study.

33. As it can be seen, self-efficacy show to be the other major construct in formation of behavioural intention on employees. Self efficacy as it has been questioned in the questionnaire includes items such as employees' capabilities, skills, interest, knowledge and self determination for participating actively in e banking implementation process. Furthermore it is more important to consider the opinion/expectations/pressure (of managers, government authorities, bank customers and local competition).

34. Considering the organisational structure the importance of subjective norms in this regard is justifiable.

35. Hierarchical structure and minimum contribution of employees in decision making procedures and also lack of employees involvement in implementing the objectives and strategies of the organisation leads to specific organisational behaviour which can be characterised as laggards.

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